

**Schools Forum 12 December 2006**

**Report of the Director of Children's Services**

**Funding of Schools' Redundancies and Nominations to Form the Redundancy Panel**

**Purpose of Report**

1. To seek nominations from Headteacher colleagues for the Schools' Redundancy Panel.
2. To seek agreement to the funding of schools' redundancies.

**Budget Working Group Discussed**

3. No.

**Schools Forum Action**

4. To note report, agree nominations for the panel and to confirm the funding arrangements.

**Attachments to Report**

5. Appendix A – Standard Operating Procedure for Funding of Redundancies in Schools.

Karen Cocker  
Children's Services Finance Manager  
November 2006

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2. To seek agreement to the funding of schools' redundancies.

**Background**

3. In October of 2005, the Schools Forum was presented with a draft Standard Operating Procedure (SOP) relating to the Funding of Schools' Redundancies.
4. In principle, this SOP was approved although it was referred to the Union Secretaries (personnel Issues) meeting for further consideration.
5. Union Secretaries considered and agreed the SOP. However, union colleagues felt that it would be appropriate for nominations for the Schools' Redundancy Panel to be sought from the Schools' Forum.
6. Headteacher colleagues are key decision-makers within the process, given the source of the funding, which is summarised in the SOP (Appendix A).
7. The implementation of the SOP will be effective once an internal decision sheet has been signed.

**The Role of the Panel**

8. The role of the Panel will be to consider information provided through the Standard Operating Procedure by the Headteacher and the School Development Adviser of the school concerned, Children's Services Personnel and Children's Services Finance. Where the Panel is satisfied that the requirements of the SOP are met, then they may recommend to the Director that the costs associated with a redundancy or premature retirement are met through the fund. Conversely, where these requirements are not met, then the Panel may recommend to the Director that the costs be reversed to the school.
9. The Panel may choose to be/will be advised by a Children's Services Personnel Officer and Children's Services Finance Officer
10. To be quorate, there must be two of the three nominated Headteacher colleagues and a representative from Children's Services Personnel and Children's Services Finance to consider any request to access the School Redundancy/Premature Retirement Fund.

## **Funding of Redundancies - Extract from the SOP paragraph 7**

11. The funding for school redundancies/premature retirements will be identified from a number of sources:
12. If the redundancy/premature retirement identifies recurrent revenue savings in a schools delegated budget equal to or greater than the cost, then the related costs can be funded by a permanent top slice from the ISB (Individual Schools Budget) and charged to the account ' Termination of Employment Costs'.

The School Finance (England) Regulations 2006 permit that where dismissal or premature retirement costs are incurred in securing the resignation of any person employed in a maintained school after April 2006 and the revenue savings that will be achieved will be equal to or greater than the costs incurred then the Termination of Employment Costs budget, line 1.5.10 of Section 52 budget statement, will relate; this includes immediate dismissal costs together with any ongoing costs associated with the redundancy/premature retirement.

This action must be approved by Schools Forum who are responsible for the Schools Budget funded by the DSG (Dedicated Schools Grant).

13. If the redundancy/premature retirement does not meet the 'self financing 'criteria set out in 12 above or Schools Forum do not wish to approve the top slice of the ISB on a permanent basis then it will be necessary to establish a Redundancy/Premature Retirement Reserve Fund to cover the associated costs of the approved redundancy or premature retirement. This must be funded from the following sources:

- A top slice of the Dedicated Schools Grant, which funds the Schools Budget; and/or
- Accumulated year-end under-spending of the Dedicated Schools Grant; and/or
- Residual reserves and balances which arise from the closure of schools or the claw back in accordance with the LMS scheme of financing; and/or
- Any other ad-hoc surplus balances arising from the operation of the Schools Budget.

The amount to be set aside within the fund will be set by the Directorate of Children's Services on recommendation from the Finance Directorate and must be with the approval of Schools Forum. This will be reviewed annually.

### **Finance**

14. The funding of schools is prescribed by the DfES through the School Finance (England) Regulations 2006. The financial details in respect of redundancies in school are highlighted in the attached SOP and relate to the Schools Budget.
15. From 1<sup>st</sup> April 2006, the Schools Budget is funded by a direct DfES grant: Dedicated School Grant (DSG).

## **Law**

16. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.


## **Equality Impact**

17. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

## **Recommendation**

18. That Schools Forum:

- Note the Standard Operating Procedure (SOP) in relation to the Funding of Schools' Redundancies and nominate three Headteacher Colleagues for the Director of Children's Services consideration;
- Confirm what arrangements should be put into place to fund future school redundancies; paragraph 7 of SOP relates.



**John Freeman**

**Director of Children's Services**

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